

Amendments to the Specification:

Please amend the paragraph beginning at page 7, line 5 as follows:

Figure 1 illustrates a telephone network system in accordance with the present invention. The system includes a plurality of phone systems 10a-10c. Each of the phone systems 10a-10c comprises a cordless unit 11 and a base station 12. The base station 12 is coupled to an associated modem 14 wherein the modem 14 is coupled to an internet service provider (ISP) 40. The modem in a preferred embodiment is a cable modem. The ISP 40 in turn is coupled to a local switching exchange 42. The local switching exchange is coupled to an outside device 44. As is well understood by one of ordinary skill in the art, any number of outside devices 14 can be coupled to the local switching exchange and the devices can communicate with the local switching exchange 42. [[.]]

Please amend the paragraph beginning at page 9, line 14 as follows:

The call is then decrypted by the ISP 40, via step 212. This step preferably comprises utilizing the ISP to ~~decrypt the IP packets~~, convert the IP packets to encrypted digital data, ~~and~~ decrypt the digital data and convert the digital data to analog data. Finally, the call is sent to the outside device, via step 214.